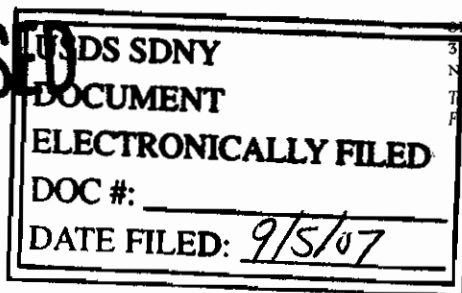


McKee Nelson LLP

Correspondence from:
NEW YORK, NY

WASHINGTON, DC

MEMO ENDORSED

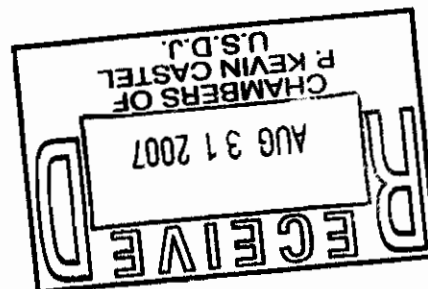


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August 30, 2007



BY HAND

The Honorable P. Kevin Castel
United States District Judge
Southern District of New York
Daniel Patrick Moynihan United States Courthouse
500 Pearl St., Room 2260
New York, NY 10007

**Re: Greenwich Capital Financial Products, Inc. v. Kay-Co Investments, Inc.
(D/B/A Pro30 Funding) – Case No. 07-CV-6523 (PKC)**

Dear Judge Castel:

We represent plaintiff Greenwich Capital Financial Products, Inc. ("Greenwich") in connection with the above-referenced case. This letter is submitted in compliance with the Order Scheduling Initial Pretrial Conference that was entered on July 25, 2007 (the "Order"). The initial pretrial conference is currently scheduled for September 7, 2007 at 3:15 p.m. As set forth more fully below, defendant Kay-Co Investments, Inc. ("Kay-Co") has failed to file an answer or otherwise respond to Greenwich's complaint. Accordingly, we have been unable to confer with Kay-Co regarding the submission of a joint letter as required by the Order. Below, however, we have set forth a brief description of the case, the contemplated motions and the prospect for settlement.

I. Brief Description of the Case

This is a breach of contract action that arises out of Kay-Co's material breaches of that certain Mortgage Loan Purchase and Interim Servicing Agreement by and between Greenwich and Kay-Co, dated as of October 1, 2006 (the "Agreement"). Specifically, Kay-Co has failed to fulfill its obligations under the Agreement to (i) repurchase from Greenwich 12 mortgage loans that experienced early payment defaults, and (ii) remit to Greenwich the related repurchase premiums with respect to those loans. This action seeks to remedy Kay-Co's breaches of the Agreement.

The Honorable P. Kevin Castel
 August 30, 2007
 Page 2

This case was commenced by Greenwich on July 19, 2007 by the filing of a summons and complaint. Pursuant to § 311 of the New York Civil Procedure Law and Rules, a copy of the summons and complaint was properly served on Kay-Co on July 20, 2007 by personal service on Gerry Morando, intake clerk at National Registered Agents, Inc., which is Kay-Co's registered agent. Pursuant to Fed. R. Civ. P. 12(a), Kay-Co was required to plead or otherwise defend the claims asserted in the complaint within twenty (20) days of service, by August 9, 2007. Kay-Co has not answered the complaint and the time for Kay-Co to do so has expired.

II. Contemplated Motions

On August 30, 2007, Greenwich filed a request for entry of default against Kay-Co. Greenwich plans to move this Court for entry of a default judgment against Kay-Co soon after the Clerk of Court notes Kay-Co's default on the record.

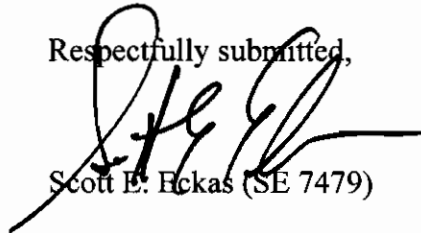
III. Prospect of Settlement

None.

* * *

As Kay-Co has not appeared in the action, we will contact Your Honor's chambers early next week to inquire as to whether the September 7 status conference remains necessary. Please do not hesitate to have Your Honor's chambers contact me with any questions or concerns.

Respectfully submitted,



Scott E. Eckas (SE 7479)

cc (by U.S. mail): Kay-Co Investments, Inc.

No appearance on September 7
 is required. Plaintiff may
 proceed to obtain Clerk's
 Certificate and move for
 default judgment. Please
 consult my default procedure
 available on the Court's
 website. SO ORDERED
 [Signature]
 USDS
 9-5-07